# COMPARISON OF REGIONAL DISPARITIES IN WAGE DEVELOPMENT IN THE SLOVAK REPUBLIC AND THE CZECH REPUBLIC

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***Abstract***

*Significant disparities in the socio-economic level of regions represent a current challenge for most European Union member states, including Slovakia. Regional differences may have adverse consequences for economic efficiency, lead to underutilized potential, and hinder the overall economic growth of a country. Reducing these disparities is one of the main objectives of regional and structural policy. Monitoring regional disparities makes it possible to identify less developed regions and to redirect regional development efforts toward them.*

*This article examines regional wage disparities and their development in the Slovak Republic and the Czech Republic over the period 2013–2023. Using data from the Statistical Office of the Slovak Republic and the Czech Statistical Office, the analysis focuses on the dynamics of average gross nominal monthly wages across NUTS 3 regions, with particular attention to the processes of regional convergence. The method of beta-convergence is applied to assess whether less developed regions have been catching up with economically stronger ones.*

***Key words:***
*Economic development, NUT3 regions, regional disparities, regional policy, gross nominal wage*

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## INTRODUCTION

Regional disparities have long been regarded as a major and persistent issue, particularly in the socio-economic sphere. Slovakia, like other countries that underwent the transformation process, significantly began internally differentiate in terms of economic performance and potential of individual regions. (Klamár, 2016)

Monitoring regional disparities makes it possible to identify less developed regions and redirect regional development efforts toward them. In this paper, we focus on one of the most visible forms of inequality—wage inequality. This particular inequality results in the underutilization of the economically active population, contributes to rising unemployment, and stimulates labor migration abroad, which indicates shortcomings in the state's wage policy. Wage-related demotivation acts as a barrier to the faster development of society. Sociologists interpret the growth of wage inequalities as a consequence of broader social inequalities, whereas economists and geographers attribute it to differences in economic conditions and regional opportunities.

Slovakia is composed of heterogeneous regions in which wage levels display a considerable degree of differentiation. The most pronounced disparities can be observed between Bratislava and the other regions of Slovakia. The capital city holds the position of an economically dominant region, whereas several regions of central and eastern Slovakia lag behind economically. Economically weaker regions exhibit a higher degree of vulnerability, as wage levels are accompanied by phenomena such as social dependence, low purchasing power, or poverty.

Income inequality is a phenomenon that significantly affects the functioning of society. What matters is not only the absolute level of income but also its distribution across different segments of the population. Income disparities arise from multiple causes: they may result from natural developmental processes, but they are often shaped by the structure of society, redistribution rules, the tax system, or access to education and employment. Equally important is the way in which society perceives these inequalities—whether they are considered justifiable or evoke resistance. Rising income disparities also negatively influence individuals' satisfaction with their own lives. The perception of having no opportunity to improve one's circumstances diminishes motivation, reduces

willingness to engage actively in social life, and increases the risk of social tensions. The impact of income inequalities therefore extends far beyond the economic dimension, as it also affects values, behavior, and interpersonal relations (Michálek, 2021).

Significant disparities in the socio-economic level of regions represent a pressing issue in most European Union member states, including Slovakia. Reducing these disparities constitutes one of the primary objectives of the EU's regional and structural policy.

## Literature overview

In regional economic analysis, a region is understood as a subnational unit, meaning that it constitutes a part of the national economy. It possesses its own internal structure as well as various interconnections with its surroundings, including adjacent regions and the national economy as a whole (Geciková, Papcunová, 2011). A region is defined as a "territorial unit delimited according to the classification of statistical territorial units," which represents a formal (administrative) definition (Act No. 539/2008 Coll. on the Support of Regional Development). A region can also be conceptualized as a spatial unit, delineated on the basis of one or more characteristics. From the perspective of functionality and relations, a region can be identified by grouping together homogeneous areas according to selected attributes.

According to Habánik and Koišová (2011), the term region refers to a territory or a geographical unit organized into hierarchical levels, and it is simultaneously embedded within the structure of regional policy. The identification of less developed regions and the redirection of regional policy measures toward them is made possible by monitoring regional disparities. Regional disparities are the outcome of uneven regional development, that is, differences in the level of socio-economic development across regions within the territorial-administrative structure (Matlovič, Matlovičová, Klamár, 2011). Baláž (2004) defines regional disparities as the existence of multiple differences arising between regions, which subsequently manifest themselves in the living conditions and development opportunities of individuals residing in those regions. From an economic perspective, regional disparities are a reflection of the degree of economic cohesion, which exists when all segments are integrated into the national economy in such a way that they are able to withstand international competition. The degree of economic cohesion increases as disparities in the components of competitiveness decrease (Gozora, 2010).

The topic of regional disparities is frequently addressed in works with both economic and sociological orientations. Buček, Rehák, and Tvrdoň (2010) state that "different natural and geographical conditions, the scope and quality of the socio-economic potential of regions, as well as the influence of diverse historical and socio-economic factors, reflect the fact that the structure of the national economy encompasses regions characterized by distinct economic, ecological, and social conditions." They further note that "individual regions, due to their differing historical, geographical, socio-economic, and societal conditions, possess varying initial capital, quality of human potential, and infrastructure, and accordingly experience divergent patterns of growth and development." Many countries are characterized by significant regional disparities in economic performance and living standards, as reflected in income, education, or health outcomes. These regional disparities raise equity concerns: they contribute to overall within-country inequality, and they are linked to inequality of opportu-nity, as measured by, say, intergenerational mobility. Regional disparities mayalso have harmful implications for economic efficiency. (Floerkemeier, Spatafora, Venables, 2022)

Koven and Lyons (2010) identify instruments of regional policy aimed at mitigating regional disparities, including financial incentives such as subsidies and loans, as well as tax policy measures encompassing tax reliefs or deferrals of tax payments. They also highlight non-financial support, such as the expansion of infrastructure.

One of the most visible regional disparities is income inequality. Charles-Coll (2011) distinguishes the causes of income inequality into internal factors (related to the individual) and external factors (at the state level). Chaudhary (2009) argues that one of the main causes of wage inequality is the labor market, which determines wages within the market.

Inequalities are driven by differences in the supply of and demand for various types of labor.

## Goal and Methodology

The objective of this article is to analyze and compare regional disparities in wage development between the Slovak Republic and the Czech Republic. The focus is placed on identifying differences in the level of average gross monthly wages across individual NUTS 3 regions in both countries and their evolution over time. The primary aim is to determine whether regional disparities are deepening or diminishing, and to identify the factors contributing to these differences. The main sources of data are the Statistical Office of the Slovak Republic and the Czech Statistical Office. The period under review is 2013–2023.

To evaluate the process of wage convergence across regions, the method of beta convergence (β-convergence; a concept assessing whether less developed regions grow faster than more developed ones) is applied. This method makes it possible to assess whether regions with lower initial wage levels exhibit faster wage growth compared to more developed regions. The concept of beta convergence is based on the assumption that less developed regions with lower wages should grow at a faster pace than economically stronger areas, thereby gradually reducing regional disparities. The analysis examines whether this phenomenon is present in both Slovakia and the Czech Republic, and whether wage differences between regions are gradually narrowing. As part of the analysis, the chain index of gross wages (an indicator measuring the year-on-year dynamics of wage growth) is also calculated, enabling the observation of the development of annual wage growth rates.

## Findings and discussion

Throughout the entire period under review, wages in Slovakia exhibited steady growth. Their development across the individual regions is presented in Table 1. Although all regions recorded a continuous increase in the average gross nominal wage, pronounced regional disparities have persisted. The Bratislava region has consistently and significantly outperformed the other regions, maintaining the highest average wages throughout the observed period, exceeding €2,000 in 2023. Nevertheless, the Bratislava region also displayed the slowest wage growth. The lowest wages were observed in the regions of eastern Slovakia. Based on the index, it can be concluded that the highest wage growth was recorded in the Nitra region.

**Table 1:** Average Gross Nominal Monthly Wage in the Slovak Republic (Eur)

| | | 2013 | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Index 23/13 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Slovak Republic** | | 912 | | 964 | 997 | 1 044 | 1 101 | 1 175 | 1 262 | 1 333 | 1 405 | 1 501 | 1 628 | 1,785 |
| **Bratislava Region** | | 1 205 | | 1 294 | 1 322 | 1 377 | 1 449 | 1 533 | 1 641 | 1 704 | 1 767 | 1 906 | 2 066 | 1,714 |
| **Trnava Region** | | 860 | | 900 | 938 | 982 | 1 052 | 1 116 | 1 197 | 1 278 | 1 328 | 1 421 | 1 512 | 1,758 |
| **Trenčín Region** | | 821 | | 872 | 909 | 960 | 1 020 | 1 095 | 1 180 | 1 240 | 1 317 | 1 393 | 1 509 | 1,838 |
| **Nitra Region** | | 789 | | 835 | 860 | 915 | 955 | 1 031 | 1 122 | 1 191 | 1 262 | 1 359 | 1 469 | 1,862 |
| **Žilina Region** | | 839 | | 877 | 920 | 960 | 1 015 | 1 084 | 1 174 | 1 238 | 1 308 | 1 400 | 1 540 | 1,835 |
| **Banská Bystrica Region** | | 798 | | 845 | 866 | 908 | 956 | 1 019 | 1 108 | 1 180 | 1 250 | 1 340 | 1 432 | 1,794 |
| **Prešov Region** | | 736 | | 771 | 800 | 833 | 883 | 931 | 1 024 | 1 091 | 1 157 | 1 223 | 1 342 | 1,823 |
| **Košice Region** | | 883 | | 925 | 947 | 986 | 1 039 | 1 110 | 1 168 | 1 237 | 1 344 | 1 415 | 1 536 | 1,739 |

*Source: Statistical Office of the Slovak Republic*

The index values of the average gross wage (Table 2) indicate a year-on-year increase in wages across all regions. This trend is expected, as wages typically rise under the influence of inflation, increasing labor productivity, and the overall economic development of the country. The most significant pace of wage growth was recorded between 2018 and 2020. This dynamic increase may have been driven by a combination of several factors. During this period, Europe

experienced an economic boom, which created pressure on employers to raise wages. At the same time, labor shortages became evident, forcing companies to offer more attractive financial conditions. Legislative interventions also played an important role, particularly the increase in the minimum wage, which subsequently influenced the overall level of average wages.

**Table 2:** Chain Index of the Average Gross Nominal Monthly Wage in the Slovak Republic

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Slovak Republic** | 1.057 | 1.034 | 1.047 | 1.055 | 1.067 | 1.074 | 1.056 | 1.054 | 1.068 | 1.085 |
| **Bratislava Region** | 1.074 | 1.022 | 1.042 | 1.052 | 1.058 | 1.071 | 1.038 | 1.037 | 1.079 | 1.084 |
| **Trnava Region** | 1.047 | 1.042 | 1.056 | 1.071 | 1.061 | 1.073 | 1.068 | 1.039 | 1.070 | 1.064 |
| **Trenčín Region** | 1.062 | 1.042 | 1.064 | 1.062 | 1.073 | 1.078 | 1.051 | 1.062 | 1.058 | 1.083 |
| **Nitra Region** | 1.058 | 1.029 | 1.064 | 1.044 | 1.079 | 1.088 | 1.062 | 1.059 | 1.077 | 1.081 |
| **Žilina Region** | 1.045 | 1.049 | 1.043 | 1.057 | 1.068 | 1.083 | 1.055 | 1.057 | 1.070 | 1.100 |
| **Banská Bystrica Region** | 1.059 | 1.025 | 1.048 | 1.052 | 1.066 | 1.087 | 1.065 | 1.059 | 1.072 | 1.069 |
| **Prešov Region** | 1.048 | 1.038 | 1.041 | 1.060 | 1.054 | 1.099 | 1.065 | 1.061 | 1.057 | 1.097 |
| **Košice Region** | 1.048 | 1.024 | 1.041 | 1.054 | 1.068 | 1.052 | 1.059 | 1.086 | 1.053 | 1.086 |

*Source: Own elaboration*

In 2021, wage growth experienced a slight slowdown, which can be attributed to the consequences of the COVID-19 pandemic. Following a period of intensive wage increases, the economy entered a phase of deceleration, accompanied by uncertainty in the labor market. During this period, inflationary pressures also temporarily eased, which may have contributed to wage stabilization. In the final two years of the observed period, wage growth accelerated once again. This development can primarily be explained by high inflation, which placed pressure on employers to adjust wages in order to maintain employees' real purchasing power. In addition, the post-pandemic economic recovery, accompanied by increased demand for labor, further contributed to this trend.

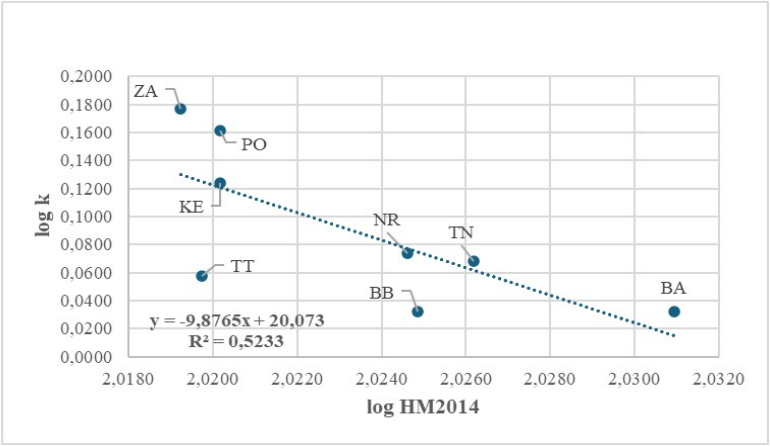


**Figure 1:** Convergence of the Chain Index in the Slovak Republic
*Source: Own elaboration*

Figure 1 illustrates the convergence of the chain index of gross wages across the regions of the Slovak Republic. The regression analysis captures the relationship between the initial value—the logarithm of the average gross wage in 2014 (log HM2014)—and the logarithm of its average growth (log k) in the subsequent period. The negative slope of the regression line indicates that regions with higher initial levels of gross wages experienced slower wage growth, while regions with lower wages recorded faster growth. This phenomenon is a typical manifestation of beta-convergence, meaning that less developed regions tend to catch up with more economically advanced areas. The fastest wage growth was observed in the Žilina Region (ZA) and the Prešov Region (PO), which are positioned well above the trend line. This implies that wages in these regions grew faster than could be expected based on their initial level in 2014. The Košice Region (KE) is located slightly above the trend line, also signaling faster wage growth.

At the opposite end of the spectrum, the Bratislava Region (BA) lies significantly below the regression line. This region initially recorded the highest average wage, but its wage growth was slower compared to other regions. Such a pattern is typical for economically more advanced areas, where the scope for dynamic wage growth is less pronounced. The Banská Bystrica Region (BB) and the Trnava Region (TT) are also positioned below the trend line, indicating weaker wage growth than would have been expected.

The coefficient of determination, at 0.5233, suggests that the regression model explains approximately 52.33% of the variability in the data. This implies that, although a convergence process is present, it is not as pronounced as in the case of the Czech Republic. Significant regional differences in the dynamics of wage growth remain, likely influenced by additional factors such as investment, infrastructure, demographics, and the sectoral structure of regions.

Overall, the results indicate a partial narrowing of wage disparities among Slovak regions, with less developed regions such as Prešov and Žilina experiencing faster growth than the Bratislava Region. Nevertheless, wage convergence is not entirely unambiguous, as some economically weaker regions, such as Banská Bystrica, exhibit slower growth than would be expected.

In the Czech Republic, the average gross nominal monthly wage recorded continuous growth across all regions throughout the analyzed period. The highest wage level has consistently been maintained in the Capital City of Prague; however, similar to Bratislava in Slovakia, Prague reported the lowest wage growth over the observed period. The highest wage increase was recorded in the Hradec Králové Region.

**Table 3:** Average Gross Nominal Monthly Wage in the Czech Republic (CZK)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Index 23/13 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Capital City of Prague** | 35155 | 35343 | 36371 | 37387 | 39782 | 42502 | 45888 | 47602 | 50494 | 54015 | 57275 | 1.639 |
| **Central Bohemia Region** | 26302 | 27046 | 27997 | 29170 | 31457 | 34390 | 37151 | 39104 | 40585 | 43536 | 46035 | 1.750 |
| **South Bohemia Region** | 23429 | 24239 | 25246 | 26537 | 28093 | 30620 | 32821 | 35301 | 37715 | 39728 | 42028 | 1.794 |
| **Plzeň Region** | 24698 | 26004 | 27013 | 28182 | 30700 | 33020 | 35264 | 37613 | 39400 | 41436 | 44099 | 1.785 |
| **Karlovy Vary Region** | 22333 | 23008 | 24119 | 24893 | 26999 | 29236 | 31710 | 33354 | 35611 | 37512 | 39746 | 1.779 |
| **Ústí nad Labem Region** | 23886 | 24331 | 25301 | 26538 | 28369 | 30802 | 33375 | 36088 | 38027 | 40223 | 42013 | 1.759 |
| **Liberec Region** | 24381 | 25114 | 26358 | 27126 | 29121 | 31615 | 34169 | 36127 | 37855 | 39746 | 42029 | 1.724 |
| **Hradec Králové Region** | 23639 | 24348 | 25192 | 26578 | 28580 | 31373 | 34357 | 36693 | 38772 | 41187 | 43417 | 1.837 |
| **Pardubice Region** | 23187 | 23879 | 24856 | 26087 | 28006 | 30358 | 32612 | 34814 | 36642 | 38866 | 41036 | 1.769 |
| **Vysočina Region** | 23745 | 24347 | 25258 | 26626 | 28568 | 31002 | 33422 | 35694 | 37693 | 39864 | 41969 | 1.767 |
| **South Moravia Region** | 25587 | 26079 | 27051 | 28319 | 30311 | 32639 | 35439 | 37687 | 40308 | 43071 | 45316 | 1.771 |
| **Olomouc Region** | 23203 | 24081 | 24584 | 25643 | 27486 | 30073 | 32695 | 35049 | 37074 | 39079 | 41084 | 1.771 |
| **Zlín Region** | 23117 | 23755 | 24554 | 25953 | 27565 | 30317 | 32759 | 34928 | 36641 | 38869 | 41328 | 1.788 |
| **Moravia-Silesia Region** | 24397 | 24667 | 25475 | 26388 | 27991 | 30364 | 32826 | 35260 | 37265 | 39631 | 41866 | 1.716 |

*Source: Czech Statistical Office*

Table 4 presents the chain indices of wage development across the regions of the Czech Republic. From a long-term perspective, a stable positive trend in gross wage growth can be observed. The most pronounced growth was recorded in 2017 and 2018, when several indices exceeded the value of 1.09, representing a year-on-year increase of more than 9%. Conversely, in 2020 and 2021, wage growth slowed down, which may have been caused by the effects of the COVID-19 pandemic on the economy and the labor market. In 2023, the chain indices once again reached around 1.06, indicating a renewed, moderate increase in wages.

In most regions, the average growth rate is approximately 1.44, signaling relatively even wage growth across regions. This may suggest a certain degree of convergence, meaning that less developed regions are catching up with wealthier ones, although spatial disparities continue to persist.

**Table 4:** Chain Index of the Average Gross Nominal Monthly Wage in the Czech Republic

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Capital City of Prague** | 1.023 | 1.037 | 1.045 | 1.071 | 1.083 | 1.080 | 1.062 | 1.055 | 1.064 | 1.058 |
| **Central Bohemia Region** | 1.005 | 1.029 | 1.028 | 1.064 | 1.068 | 1.079 | 1.037 | 1.060 | 1.069 | 1.060 |
| **South Bohemia Region** | 1.028 | 1.035 | 1.042 | 1.078 | 1.093 | 1.080 | 1.052 | 1.038 | 1.073 | 1.057 |
| **Plzeň Region** | 1.035 | 1.041 | 1.051 | 1.058 | 1.090 | 1.072 | 1.075 | 1.068 | 1.053 | 1.058 |
| **Karlovy Vary Region** | 1.053 | 1.038 | 1.043 | 1.089 | 1.075 | 1.068 | 1.066 | 1.047 | 1.052 | 1.064 |
| **Ústí nad Labem Region** | 1.030 | 1.048 | 1.032 | 1.084 | 1.083 | 1.084 | 1.052 | 1.067 | 1.053 | 1.059 |
| **Liberec Region** | 1.019 | 1.039 | 1.049 | 1.069 | 1.085 | 1.083 | 1.081 | 1.054 | 1.058 | 1.045 |
| **Hradec Králové Region** | 1.030 | 1.049 | 1.029 | 1.073 | 1.085 | 1.080 | 1.057 | 1.048 | 1.050 | 1.057 |
| **Pardubice Region** | 1.030 | 1.035 | 1.055 | 1.075 | 1.098 | 1.095 | 1.068 | 1.057 | 1.062 | 1.054 |
| **Vysočina Region** | 1.029 | 1.041 | 1.049 | 1.073 | 1.084 | 1.074 | 1.067 | 1.052 | 1.061 | 1.056 |
| **South Moravia Region** | 1.025 | 1.037 | 1.054 | 1.072 | 1.085 | 1.078 | 1.068 | 1.056 | 1.057 | 1.053 |
| **Olomouc Region** | 1.019 | 1.037 | 1.047 | 1.070 | 1.077 | 1.085 | 1.063 | 1.069 | 1.068 | 1.052 |
| **Zlín Region** | 1.038 | 1.021 | 1.043 | 1.072 | 1.094 | 1.087 | 1.072 | 1.058 | 1.054 | 1.051 |
| **Moravia-Silesia Region** | 1.028 | 1.034 | 1.057 | 1.062 | 1.099 | 1.080 | 1.066 | 1.049 | 1.061 | 1.063 |

*Source: Own elaboration*

Figure 2 analyzes the convergence of the chain index of gross wages across the regions of the Czech Republic. It illustrates the relationship between the logarithm of the average gross wage in 2014 (log HM2014) and the logarithm of its growth (log k) in the subsequent period. The clearly visible negative slope of the regression line indicates that regions with higher initial levels of gross wages experienced slower wage growth in the following years, whereas regions with lower wages grew at a faster pace. This phenomenon is a typical manifestation of beta-convergence, meaning that less developed regions tend to catch up economically with wealthier areas.

The highest wage growth was recorded in the Central Bohemia Region (SČK), which is positioned well above the regression line, indicating that wages in this region increased more rapidly than would have been expected based on its initial level. Similarly, the Vysočina Region (KV), the Olomouc Region (OK), and the Liberec Region (LK) are located above the trend line, suggesting faster wage growth compared to the average trend. In contrast, the Karlovy Vary Region (KK) lies significantly below the regression line, meaning that wages there grew more slowly than could be anticipated given its initial level. This region has long been among the economically weakest in the Czech Republic, which may be attributed to lower

levels of investment, weaker infrastructure, and reduced attractiveness for highly qualified labor. The Zlín Region (ZK) also experienced slower wage growth, placing it below the regression line. Other regions, such as the Capital City of Prague (HMP), the Moravia-Silesia Region (MSK), the Hradec Králové Region (KHK), and the Ústí nad Labem Region (ÚK), are distributed closer to the trend line, indicating that their wage development corresponded to the expected convergence trend.

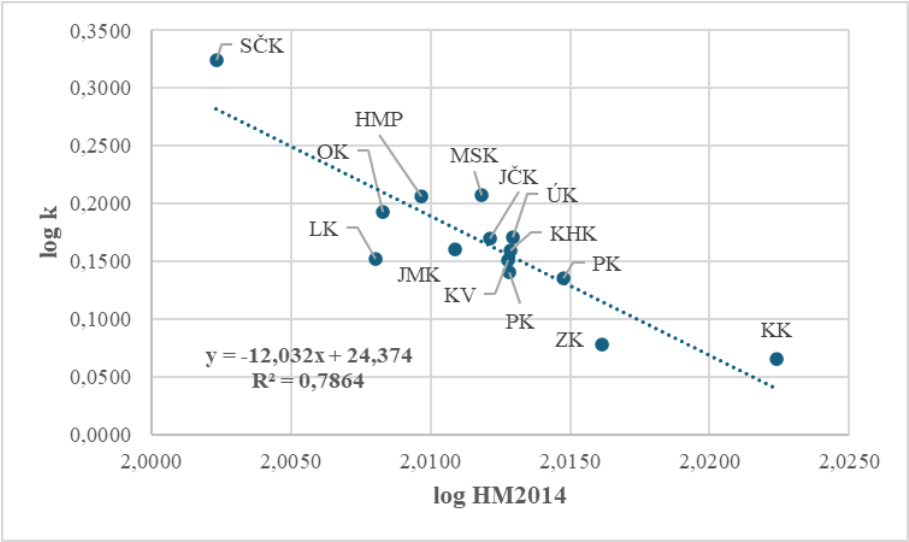


**Figure 2:** Convergence of the Chain Index in the Czech Republic
*Source: Own elaboration*

The value of the coefficient of determination at 0.7864 indicates that the regression model explains 78.64% of the variability in the data. This suggests that the convergence process in the regions of the Czech Republic is relatively strong and systematic. The high value of the coefficient of determination confirms that the relationship between the initial level of gross wages and their growth is well captured by this model, although certain deviations exist across individual regions.

Overall, the results indicate a gradual narrowing of wage disparities between regions, with less developed regions growing at a faster pace than economically more advanced areas. Nevertheless, some regions, such as the Karlovy Vary Region and the Zlín Region, continue to lag behind, with wage growth below the average, which may present a challenge for future regional policies and investment in these areas

**Comparison of Wage Convergence in Slovakia and the Czech Republic**

The analysis of wage development in the Slovak Republic and the Czech Republic reveals both similarities and notable differences in the dynamics of regional convergence. In both countries, average gross nominal monthly wages exhibited a continuous upward trend throughout the observed period (2013–2023), accompanied by persistent regional disparities. The capital cities—Bratislava in Slovakia and Prague in the Czech Republic—maintained the highest wage levels, but simultaneously recorded the slowest wage growth. This pattern is typical for economically advanced regions, where the scope for further dynamic growth is limited.

In Slovakia, the convergence process proved to be relatively modest. The coefficient of determination ($R^2 = 0.5233$) indicated that only about half of the variability in wage growth could be explained by the regression model. While certain less developed regions, such as Žilina (ZA) and Prešov (PO), exhibited above-average growth, other weaker regions, notably Banská Bystrica (BB), lagged behind expectations. These findings suggest that the

convergence process in Slovakia is only partial and remains uneven across regions.

By contrast, in the Czech Republic, the convergence process appeared stronger and more systematic. The coefficient of determination ($R^2$ = 0.7864) demonstrated that nearly 79% of the variability in wage growth was explained by the model. Several less developed regions, including Central Bohemia (SČK), Vysočina (KV), and Olomouc (OK), recorded faster wage growth than expected, indicating substantial catch-up dynamics. Nevertheless, some economically weaker regions, particularly Karlovy Vary (KK) and Zlín (ZK), continued to fall behind, suggesting that regional disparities have not been fully eliminated.

Overall, the comparison highlights that while both Slovakia and the Czech Republic demonstrate elements of wage convergence, the process is more pronounced and consistent in the Czech Republic. Slovakia continues to face significant challenges, as certain lagging regions have not fully benefited from catch-up growth. These findings emphasize the importance of targeted regional policies and investment strategies, particularly in economically weaker regions, in order to foster more balanced and sustainable development.

## Conclusion

Based on the analyses conducted, it can be concluded that while both the Slovak Republic and the Czech Republic face similar challenges in terms of regional wage disparities, the scope and dynamics of these inequalities differ significantly between the two countries. A comparison of regional wage developments over the period 2013–2023 shows that the Czech Republic has a more balanced wage structure overall and achieves faster convergence among its regions. By contrast, Slovakia demonstrates a higher concentration of wage levels in a single region—specifically the Bratislava Region—where disparities between the center and the periphery persist and are more pronounced. Whereas in the Czech Republic wages are more evenly distributed among several regions, such as Prague, Central Bohemia, South Moravia, and Plzeň, Slovakia remains highly centralized. Wages in the Bratislava Region exceed the average of other regions, distorting the national average and reducing the explanatory value of country-level indicators.

In terms of wage convergence across regions, a favorable trend was observed in both countries. The results of the regression analysis confirm that less developed regions grew faster than more advanced ones, indicating the presence of beta-convergence. However, this trend proved stronger in the Czech Republic, suggesting that Slovakia exhibits a slower and less consistent process of narrowing regional disparities.

Ultimately, it may be stated that the Czech Republic is in a more balanced position in terms of regional wages and their development, while the Slovak Republic faces a more pronounced polarization between the center and the periphery. If Slovakia is to reduce regional disparities and ensure more even growth across the country, it will be necessary to intervene more decisively in the structure of regional policy, diversify economic activities, and more effectively integrate lagging regions into the process of economic development.

Overall, the findings suggest that the Czech Republic is in a more favorable position regarding regional wage development, whereas Slovakia faces greater polarization. These results carry important implications for regional policy, highlighting the need for Slovakia to diversify economic activities and strengthen the integration of less developed regions into national economic growth.

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